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1. FRENCH GOVERNMENT CRISIS MAY BE FORTHCOMING

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The National Assembly vote of confidence next Wednesday on the French government's over-all policies presents Premier Mollet with the most

serious challenge to his cabinet since he took office more than a year ago.

The secretary general of the conservative bloc of Independents and Peasants, Roger Duchet, told American embassy officials on 21 March that he considered Mollet's chances to be 50-50. He quoted the premier as saying that the fate of the government rested entirely in the hands of the Independents and Peasants. Duchet, who is personally against a crisis now since the ground is not well laid for a successor cabinet, would prefer to bring the government down on economic policy to which his bloc is almost unanimously opposed, rather than on general policy.

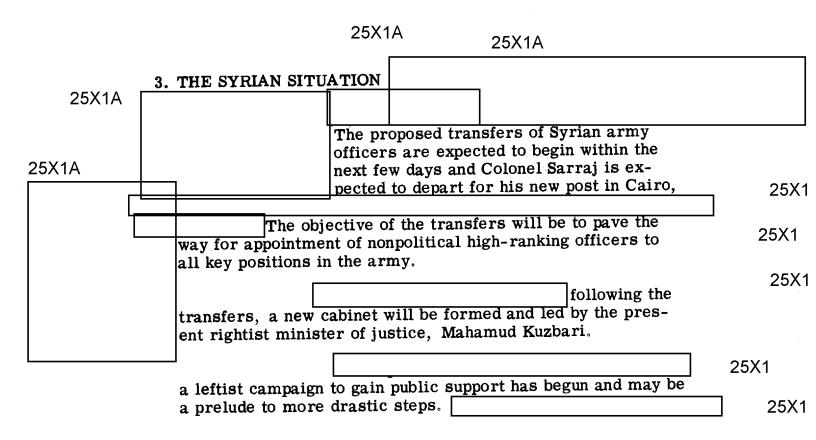
Duchet has warned Mollet that his bloc would decide on how to vote only after hearing the premier's roundup speech; he fears that the speech will not be sufficiently precise on Algeria to win many conservative votes.

Mollet is probably counting on his speech to reverse the current adverse trend against his government and he also hopes Independent and Peasant leaders will be reluctant to provoke a crisis which might weaken French policy toward Algeria, Suez and European integration. Finance Minister Ramadier's awkward presentation of the government's economic and financial policy and the speech on Algerian policy by Lacoste, Minister Residing in Algeria, have failed to counter the growing hostility in the assembly.

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4. HAMMARSKJOLD REPORTS ON FIRST TALKS WITH EGYPTIAN FOREIGN MINISTER

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Secretary General Hammarskjold has told Ambassador Hare that his talks with Foreign Minister Fawzi were "unexpectedly encouraging." Hammarskjold said Fawzi had

given a "moral commitment" that Egypt would not bring troops into Gaza and would do everything possible to curb cross-border raiding. Fawzi said Egypt was willing to discuss an extension of UNEF functions in Gaza on the understanding that "Israel would not make things too difficult."

Regarding the Gulf of Aqaba, the foreign minister stated Egypt had no intention of bringing troops into the area and would be disposed to let the matter drift provided it could be removed from the spotlight of publicity. He added that Egypt could not, however, control the Saudis.

As to a Suez settlement, Fawzi emphasized again that "all doors" remained open and stressed the importance of the point in the recent memorandum on the Egyptian position on Suez that further details would be made known by Egypt shortly. He referred Hammarskiold to Nasr for answers to some of "the more difficult questions on Suez."

Comment

Fawzi's statements do not indicate any significant change in Egypt's position or intentions. Fawzi has consistently appeared more encouraging than Nasr himself. He may personally feel that such gestures are necessary to ensure the continuation of negotiations.

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5. SENATOR LAUREL EXPECTS PHILIPPINE PRESIDENTIAL NOMINATION

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In conversations with the American chargé in Manila, Senator José Laurel expressed confidence that he would be drafted as presidential nominee at the

Nacionalista Party convention this summer. An able lawyer and politician, he probably commands more party and popular strength than either President Garcia or ultranationalist Senator Recto. Laurel's election in November would probably result in a loosening of Philippine ties with the United States.

Active in government since 1918, Laurel was jailed as a collaborator after serving as puppet president under the Japanese occupation during World War II.

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Closely identified with the Nacionalista Party's old guard, Laurel's views on government are authoritarian and paternalistic. His past expressions of anti-American and antiwhite sentiment have frequently paralleled those of Senator Recto.

Laurel's views seem to have modified, however, since he successfully led a Philippine mission to revise the country's trade agreement with the US in 1954, and he has increasingly appeared to regard himself as a mediator between Recto and the late president Magsaysay.

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6. BRITISH WARY OF DIRECT APPROACH TO GHANA ON

COMM	NIST DANGER
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	The British firmly desire to prevent Ghana from establishing diplomatic and other relations with the Communist bloc, but are wary of a direct approach to the
ing reb	overnment because this might result in an embarrass- uff to the US and Britain, according to the American y in London.
embass Office e	The Foreign Office expects that the USSR e some official mission in Accra within a year. The y reports, however, that the Commonwealth Relations xpects Ghana prime minister Nkrumah will be cautious ommunist contacts for several months until he ascer-

The British fear that Nkrumah's sales of cocoa to the Soviet Union may amount to as much as 40,000 tons this year. They believe this would mean he is already following in Nasr's steps, and that the vast Volta River hydroelectric project could become another Aswan dam situation.

tains the West's attitude on military and economic aid. If he

considers this aid inadequate, he may then embark on maneuvers with the Communists on the model of other underdeveloped ter-

Comment

ritories.

Despite the danger of Communist penetration of West Africa through Ghana, the British evidently consider themselves financially unable to undertake strong counteraction. Moreover, the Commonwealth Relations Office, which now is responsible for British policy toward Ghana, has in the past displayed timidity about any actions that might arouse the anticolonial sentiments of other Commonwealth members or put a strain on Commonwealth relations.

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